



A Company Event:

Paychex Puts Their Plans to the Test

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文章简介：本文介绍了著名的沛齐（Paychex）薪资处理服务公司如何在快速变化的应用和技术环境中建立高效的业务应急机制。



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The business continuity program at Paychex engages all levels of the business in its initiatives, so testing and maintaining contingency plans becomes a company-wide responsibility.



It all started with the CEO.

Back in 1989, he called one of his core branches and told them that they were in a disaster situation, that their payroll-processing system was down, and that they had to recover immediately. Several years later, again unannounced, he had a plug pulled on a critical machine to see how quickly his company could resume operations. The message to the troops, of course, was simple: Be ready for anything, anytime.

Such is the atmosphere inspired by CEO Tom Golisano at Paychex, a national provider of payroll processing, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. And it's this top-down approach that those tasked with business continuity planning at the Rochester, N.Y.-based company see as the key to their robust recovery plans and procedures. It's an environment where continuity is critical, and where, from the drawing board to the field testing, BCP is an integral part of everything the company does.

'We Can Never Close'

The leadership at Paychex has good reason to be concerned about business continuity. Several hundred thousand clients depend on the 7000 employees at over 100 locations to deliver their services. That can translate into a lot of dissatisfied employees if anything disrupts the flow of money and information. As Jim Marquardt, director of information technology at the 30-year-old company, points out, "There's definitely accountability there because it's measurable: Did the checks get to the

client? ... And if there's one thing you want on time, it would be your paycheck."

That's not to mention the financial penalties that can be incurred by late service. Greg Watts, who worked in the banking industry for many years before becoming the manager of IT support services at Paychex, argues that, while the payroll services business is less regulated than banking, it is often less forgiving of service disruption. "In banking, there's an auditor who'll come in and say 'You didn't do so well.' But in our business, it's 'We didn't get that payment file off to the bank, and we're facing a penalty.' Some of these penalties can be significant. It's a business that demands both precision and timeliness."

Contingency planning at Paychex takes place on two levels, the corporate and the field levels. Field-level planning is generally less complicated, because for each branch that suffers some kind of disruption, there are other locations designated that can lend people and take over the data processing affected. Even widespread regional disruptions are manageable on a field level. During power outages in California, for instance, where multiple branches are involved, the company's other field locations are prepared to take payroll for the West Coast branches and do all of their processing. With this type of system and personnel redundancy, the company can respond to almost any type of situation.

On a corporate level, however, disruption is not so easily remedied. All information generated at the 100-plus field offices flows through Rochester, where it is then passed on to various banks and institutions for things like direct deposit, tax payments, 401(k) contributions, etc. With all roads leading back to Rochester, Watts claims that "we can never close here, because we will always have that information coming in. As soon as you process the check back at the field location, there's an expectation that by the next day or two days down the road that money's going to be in the bank, it's going to be available, and the check will be good. The Paychex corporate systems environment is diverse and must be available 24/7."

Planning from the Start

Every time Paychex initiates a project that puts a production system in place, a business continuity plan is automatically added to the project. This ensures that all production environments have a degree of recoverability. Anne Marie Turner, business continuity manager at corporate headquarters, is charged with determining, through risk assessment, how readily available that backup environment needs to be. Before the project goes into production, Turner puts a team of people together, usually part of the original project team for the production system, who work on the scripting and timing for recoverability. Based upon the importance of that production environment, the company will put technology into place that will yield faster recoverability.

"The most critical systems," says Turner, "are our electronic network services, all of our tax filing, our federal payments, our clients' funds that need to be paid to the government, and direct deposit to the employees' bank accounts." Plans for these systems include high-availability automatic fail-over systems, which mirror the data for fast and easy business continuity of these services. The plans outline all the deposit windows that must be met by certain time frames and instruct on the relocating of people, if necessary, on backup equipment. Turner cites their human resources and 401(k) services and internal financial systems as examples of other critical systems.

For any changes that may take place in a particular application, the project team is directed to go to the plan and update the technical documentation. For process modifications such as these, as well as the writing of the initial plans, Turner benefits from the services of the company's dedicated publishing department, which has two individuals exclusively for the business continuity plans.

"I think it's probably unique to Paychex," says Turner, "that we have dedicated people for business continuity writing. ... They can be on the team, get the changes, make the changes, and the technical team can continue."

Not only are plans in place at the outset of every new or modified process, command teams are pre-established to administer those plans in the event of a disruption. Says Watts, "We have anybody that needs to be identified already pre-identified, and a whole path of how to get to them, who's responsible for calling whom, how we initiate it, etc."

Proactivity is therefore a key to the success of planning at Paychex. As Marquardt points out, "[When you design the] production system, you're building in the need for the system to be recoverable ... so the initial part of any design includes that thought process."

Putting the Plans to the Test

Perhaps the most impressive aspect of the Paychex planning effort is the amount and extent of testing that is conducted on their systems. There is a constant effort at the company to upgrade systems as capacity grows and technology advances, and each upgrade necessitates the execution of a test. If no upgrade has come into play on an existing system, it is tested on an annual basis. This is commonly done by gathering a team from the IT department, followed by a group from the technical operations side who will actually set up the backup equipment at the alternate site. Then a group of users is collected and taken out of their day-to-day business environment to the backup site to actually log in to the backup system and thoroughly test the applications. This planning begins about three or four weeks prior to the test and does commonly necessitate advance warning. The tests are usually conducted on a Saturday and last around two hours. "It's a controlled test," explains Turner, "where we actually take down production, bring it up on the backup site, conduct business on the production system, and then cut it back over."

A comprehensive Command Team Business Continuity Test is scheduled annually. Last year, Turner simulated a fire in the data center, putting together a booklet that announced the date and time of the simulation and gave details about the incident. To test the communication among the participants, each group on the

command team was given information about the disaster that just they knew. Watts is in the role of command team director, and these groups are required to report to him any information on what is taking place throughout the incident.

In this way, two parts of the plan are being tested at one time: the notification, which deals with the impact on the employees, and the system, which deals with the impact to the business. "Both of those need to parallel each other," explains Marquardt, "and whenever you go through a simulation or a disaster test environment you're really testing both." This marks a departure from the conventional planning and testing process, where simulations tend to be IT-driven events and focus solely on the recoverability of lost or damaged data. By engaging the business units as the drivers behind the plans, everyone is made responsible for studying and understanding the "little red books," as the plans are informally called.

Participation in the last corporate command team simulation exercise was high, claims Marquardt: "We had nearly a hundred people, and everyone engaged and afterwards gave accolades in terms of the format and the fact that it got them very familiar with their plans—it got them talking about their BCP plans and understanding them. It was very well received."

This past year, Turner and her team discovered another valuable asset to measuring the success of their recovery procedures: an internal audit for their annual corporate command team test. According to Turner, the corporate auditors observed the testing as outsiders through a three-part process. The first part was an unannounced phone call from the company's call tree that went to all employees at the Rochester offices, notifying them that it was just a simulation to test the tree. Auditing went around the next morning to all departments in the five Rochester locations and did a survey to assess how effective the notification system was. Another requirement of the simulated disaster was for about 30 managers to report to a different facility to conduct backup exercises. Auditing performed an analysis of who showed up, if they were prepared with their materials, and if they could actually

work through the first two business hours at that site. Finally, auditing prepared a summary of the entire event, complete with a rating system, and reported it to the officers and the CEO. Turner was so pleased with the way this form of assessment turned out, she plans to use her auditors every year.

This Is Not a Test

It's not just testing that keeps business continuity plans sharp at Paychex. From actual events to false alarms, Marquardt and Turner can relay war stories of the times when they had to recover from a disaster, or prepare to recover from a potential threat. Take, for example, the recent Seattle earthquake. The Paychex Seattle office was completely evacuated, but payrolls continued to come in as there was no power outage. The team back in Rochester assembled a Red Team in one of their prepared business continuity sites with rerouted phone lines, got trained people to take calls, and put the payroll back on Seattle's systems.

"We were actually running it remotely with nobody in the office, and the impact to the client base was nil," recounted Marquardt. "Because we plan for these kinds of things, we were prepared to execute without any impact to our branch operations or clients."

Turner is reminded of one of Florida's worst hurricane seasons. In preparation for anticipated storms, Paychex identified five or six branches that could possibly be affected, transmitted the data from those sites to alternate branch locations, and rerouted the phones. While the corporate office took care of the technical preparation, the branches took care of the human concerns, such as what personnel they would need and where they would go. Fortunately the team did not have to execute any of these backup plans.

"That's probably the best exercise we go through," comments Watts. "The most frustrating one, but it's the best exercise we go through."

Particularly on the field level, many systems don't need to be tested

regularly because, with over 100 servers operational throughout the country, potentially disruptive incidents such as corrupt disks or other glitches can happen. Response is immediate. It's part of what Watts calls a "mature" recovery process, as information moves rather routinely from one server to another in order to work around minor disruptions.

How to Get Buy-In

Turner made a statement that would cause most business continuity planners to turn green with envy: "I'm comfortable going in front of my organization to present risks and exposures and possible solutions. Our senior managers are receptive to this information." Since most planners seem to struggle to get funding and support for their continuity programs, how is it so easy at Paychex? One reason may be the approach that Turner and her colleagues take.

Watts makes the argument that if a planner takes a \$2 million technical investment to his or her executives and says, "This is going to sit there just in case," the proposal probably will not be met with approval. However, approaching them and stating, "Today our clients feel zero impact from our BCP situation—do you want to retain that in the future?" increases the odds of getting support for a program.

"This is how we ask business units to think about themselves," says Watts. "We go out there and we say, 'If there's a fire in the building, and all the employees are safe, what do you want to happen to direct deposit? Is it okay if it doesn't go in until Thursday? If not, when do you want it to go in?'"

Approaching BCP from the standpoint of a business need, or what the business wants to accomplish, will go far in gaining corporate approval. "With that," promises Watts, "other things just kind of fall into place—you wind up with dedication, focus, and business continuity that is in line with our business objectives. Even today we continue to improve our BCP across all of our business needs."

But the main reason for such support for business continuity initiatives at

Paychex goes back to that CEO challenging the company's preparedness to deal with the unexpected. With such an emphasis on recoverability at the top, it's not surprising that business continuity is so deeply ingrained in the company's philosophy.

"It's a company event," concludes Marquardt. "Every employee is aware of what's going on at all levels and knows what is expected of them in the event of any disruption of services. Every branch manager and every field office knows exactly what BCP is, how it's executed, and what roles they play."

The Paychex business continuity preparedness ensures that payrolls get delivered on time and accurately—and, of course, allows CEO Tom Golisano to sleep at night.